

SIZE OF BUSINESS

Large farms pay best because they:

1. Provide more economical use of labor and machinery.
2. Lower overhead costs.
3. Give a better-balanced farm organization.
4. Provide more economical units of each enterprise.
5. Offer greater advantages in buying and selling.

Ways of enlarging a business:

- A. By extending area and following same type of farming - rent land, buy land, move to larger farm. Best used when:

1. Kinds of markets are limited.
2. Crops that can be grown are limited.
3. Experience is limited.
4. Capital is limited.

- B. By growing more intensive crops and livestock on same land.

Best used when conditions mentioned above are reversed. To enlarge by intensifying requires more skill, better management, and causes a greater amount of risk.

Conclusions:

1. Within limits moderately large farms pay best.
2. The most desirable size of business is affected by the productivity of the farm, price conditions, and the man.
3. Easier for the average man to make more with a large farm.
4. Choosing the right-sized farm is very important to a farmer because of the long-time nature of the investment.
5. The most serious common weakness of farms today is that they are not large enough to employ fully the labor available. Partly due to new machinery.

SIZE, PRICE, PRODUCTIVITY, AND PROFIT
Hudson Valley, New York
270 farms, 1930; 250 farms, 1931

Year	Apple Price Index	Acres of Orchard	Labor incomes		
			Low Yield	Medium yield	High Yield
1930	142	Small	\$ -445	\$ -99	\$ 53
		Medium	-547	20	540
		Large	-1,078	359	2,525
1931	99	Small	-592	-394	-371
		Medium	-749	-876	-653
		Large	-1,900	-1,375	-353

EX-519
MAR 7 1940



